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Soviet Union-Eastern Europe

STAFF BUDTES

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December 23, 1975

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SOVIET UNION - EASTERN EUROPE	
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Ceausescu Speaks on Foreign Affairs

President Ceausescu's speech to the Romanian parliament last Thursday was his most important foreign policy statement since the eleventh party congress last year. Both the timing and content of the speech, which followed the Warsaw Pact foreign ministers' meeting in Moscow, were clearly intended to dispel any impression that Bucharest has modified its independent policies. The speech reflected Ceausescu's intention to continue slanting Romanian policy and ideology toward the Third World.

Indeed, Ceausescu's rare use of a parliamentary rather than party forum for the speech may have been a subtle way of trying to identify more closely with the nonaligned world. He may also have believed that a review of foreign policy before parliament would be more consistent with the Helsinki quidelines.

Although Ceausescu's speech conveyed an air of confidence and determination, he did not break new ground. Neither did he provide much solace to the Soviets. For example, he reiterated Bucharest's insistence that party relations avoid "dead dogmas" or a "directing center" for the international Communist movement. He urged respect for the diversity of all parties as well as the right of each party to set its own line, singling out for praise "certain Western Communist parties" that have sought new forms to deal with changed conditions. On the European conference of Communist parties, Ceausescu stressed the need for a "democratic meeting" with open debate, free exchanges of ideas in a spirit of mutual respect, and no binding documents.

Ceausescu nonetheless blandly reassured Moscow of Romania's loyalty to CEMA and the Warsaw Pact.

He asserted that Romania would continue to cooperate with the armie; of its allies even after the dissolution of military blocs. With an eye on the Yugoslavs and Chinese, however, he also stressed that Romania will collaborate with the armies of non-Pact socialist countries.

As for CEMA, Ceausescu gave equal weight to bilateral and multilateral economic ties. He called for a reduction in the development gap between CEMA member states and, in an indirect reference to China and Yugoslavia, pointed out that Romania does considerable business with socialist countries outside CEMA.

Ceausescu strongly supported the proposal of Greek Premier Caramanlis for expanded cooperation in the Balkans. Furthermore, he denied that Balkan cooperation was "directed against anyone," i.e., Moscow.

In an unprecedented riticism of the UN, Ceausescu implicitly took issue with the General Assembly resolution denouncing Zionism by saying that some unjust decisions and measures had been adopted that contradict the spirit of the UN Charter. He favored small- and medium-size nations gaining a greater voice in the UN and a revision of the Charter that would reflect the changes in international life over the last 30 years.

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First US-Hungarian Joint Venture Announced

An agreement was signed on December 9 establishing the first US-Hungarian joint venture in Hungary.

Under the agreement, Corning Glass Works, the Hungarian manufacturing firm Radelkis, and the foreign trade organization Metrimpex, formed a joint company--Radelkor, which will manufacture approximately 250 blood analyzers annually. A minimum of 40 percent of the output is to be marketed in Western Europe by Corning's UK subsidiary, and the rest by the Hungarians within CEMA. The machines will retail in the West for approximately \$4,750.

Two years in the making, the agreement represents a major step forward in the Hungarian drive for joint ventures with Western firms that involve advanced Western technology. Corning's equity in the joint firm's \$600,000 capitalization will be 49 percent, contributed primarily in the form of know-how and technical assistance. Corning will receive 49 percent of Radelkor's profits.

This is Hungary's third joint venture agreement with the West. The first was with Volvo of Sweden, and the second with Siemens of West Germany, both in July 1974. Faced with large deficits in its trade with the West, Budapest has been eager to import Western technology and thereby improve its competitiveness on Western markets.

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CHRONOLOGY

December 16	USSR signs economic agreements with Hungary and Poland.	25X1
	USSR informs the US that the refer- ence to three Soviets held by the Chi- nese in a Moscow television broadcast	•
	three days ago was not to the three helicopter crewmen captured in March 1974 but to three separate cases "several years ago" of wandering across the	•
	border.	25X1
	Deputy Foreign Trade Minister Grishin returns to Moscow from his lengthy, largely unsuccessful, stay in Egypt.	
	dazgery ansaccessiary stay in rgypt.	25X1
	Cambodian leader Sihanouk begins a state visit to Yugoslavia.	25X1
	Warsaw Pact foreign ministers complete a two-day meeting in Moscow, their first such gathering since early 1973;	
	the communique is routine.	25X1
	The "working group" drafting a final document for the European Communist party conference convenes in East Berlin; the CPSU is represented by Pono-	
Г	marev's deputy Zagladin.	25X1
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_	Izvestia prints a negative commentary	
•	on President Ford's "Pacific Doctrine."	

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December 25X1	17	The First Cuban Communist party congress opens a six-day session in Havana; Soviet: senior ideclogist Suslov leads the CPSU's delegation. Other prominent East European attendees include Bulgarian party/state chief Zhivkov, Hungarian party leader Kadar, and Polish President Jablonski.	
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	L	A signed commentary in <i>Pravda</i> restates Soviet opposition to efforts to secure the release of Rudolf Hess from Spandau prison in West Berlin.	25X1
		USDA's Commodity Credit Corporation announces the extension of a credit Line of \$25.3 million to Poland to finance the purchase of US wheat.	25X1
		Banking sources in Switzerland dis- close Soviet plans to market 100,000 gold coins in the West.	25X1
			25X1
		Soviet bloc delegates leave the final session of the UN General Assembly in protest against US Ambassador Moyni-	20/11
•		han's quotation o <u>f Soviet dissident</u> Andrey Sakharov.	25X1

December 18	Deced land to the	
pecemper 16	President Podgorny confers with Venezuelan Foreign Minister Escovar, who also signs a cultural and techni-	
	cal cooperation agreement.	25X1
	US and the USSR agree to a six-year extension of the agreement on maritime grain-shipping effective January 1, guaranteeing US-flag vessels carriage of at least one third of US grain shippe to the USSR.	ed 25X1
	A Pravda commentary charges the US with recruiting mercenaries "to commit new My Lai's" in Angola.	25X1
	Deputy Premier Mazurov confers with	
	visiting Greek Merchant Marine Minister Papandongonas.	25X1
	SALT negotiators in Gereva declare a holiday recess from today to	
	January 12.	25X1
	MBFR negotiators in Vienna declare a recess for the holidays.	25X1
	Romania's Grand National Assembly con- venes in Bucharest for a two-day	
	meeting.	25X1
	Bangladesh "special envoy" Husain completes a three-day, official visit to the USSR and returns to Dacca.	
	GDR Deputy Foreign Minister Nier has an acrimonious exchange with FRG representative to East Ferlin Gaus on the "forced adoptions" issue raised recently by Der Spiegel.	25X1

December	19	Pravda prints an authoritative "Observer" article strongly supporting the MPLA.	25X1
		A Croat official informs the US of the arrest of a Soviet citizen on espionage charges and indicates that Soviet consular officials in Zagreb	•
		may be implicated.	25X1
		Brezhnev marks his 69th birthday.	25X1
		FRG and the GDR sign, in East Berlin, a package deal improving transit between West Germany and West Berlin.	25X1
		Prominent Soviet dissident writer Amalrik is arrested in Moscow for the third time in three months on charges of lacking permission to live in the capital.	25X1
		A fedayeen delegation completes eight days in the USSR at the invitation of the Communist-front Afro-Asian Solidarity Committee.	25X1
December	20	Sao Tome and Principe President Pinto de Costa completes a five-day, state visit to Romania.	25X1
		Yelena Sakharov flies home to Moscow from Western Europe on the final day her Soviet visa for medical treatment was valid.	25X1
		Soviet economic aid specialist Skachkov begins an official visit to Iraq.	25X1

December 23	Ranking Soviet and East European delegates to the Cuban party congress, which ended yesterday, fly home.	25X1
	FUTURE EVENTS	,
December 24	UK chief rabbi Jakobivits to complete a ten-day, official visit to the USSR, the first by the chief rabbi of a Western state.	, 25X1
December 25	Soviets' TU-144 SST to begin regular service on its first route, Moscow to and from Alma-Ata.	25X1
December 26	Premier Kosygin to begin a five-day, official visit to Turkey that will include ceremonies opening the Soviet-assisted Iskenderun steel	
•	complex.	25X1
tate December	Indo-Soviet trade agreement for 1976-80 to be signed.	25X1
January 1	GDR-FRG health agreement to enter into force.	25X1
	Romania to begin a two-year term as a non-permanent member of the UN Security Council, taking the seat now occupied by the Belorussian SSR.	
	USSR to impose a 56 MPH speed limit, the first such highway control in Soviet history.	25X1
	Czechoslovakia to lift its ban on permanent representation there for foreign firms; the ban had been instituted just after the republic was taken over by the Communists.	

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January 1	A new Soviet internal passport system to be implemented.	25X1
	A new Polish tariff to enter into effect.	25X1
	USSR's "financial aid tax" on remit- tances from abroad to enter into effect.	25X1
	'JS-Soviet income tax convention to enter into effect.	25X1
January 9	Foreign Minister Gromyko to begin an official visit to Japan expected to last four or five days.	25X1
January 12	SALT negotiators to resume their discussions at Geneva.	25X1
	UN Security Council to resume debate on Middle East issues.	25X1
mid-January	A PLO delegation led by "Foreign Minister" Qaddumi to go to Moscow on official business.	25X1
January 20	Lithuanian Communist Party and Armenian Communist party congresses to convene.	25X1
January 22	Georgian Communist Party congress to convene.	25X1
January 23	Turkmen Communist Party congress to convene.	25X1